

The evils of the currency had not been remedied when Congress met again in December, 1815, and President Madison suggested a national bank as a suitable instrument for promoting specie payments. Secretary Dallas submitted a detailed plan for the bank, which was adopted by Congress with little change. The capital of the new bank was fixed at \$35,000,000, of which one-fifth was to be subscribed by the government in money or in its own obligations. The government subscription was by a stock note, which was not fully paid up in cash until 1831. The public funds were to be deposited in the bank, "unless the Secretary of the Treasury shall at any time otherwise order and direct; in which case the Secretary of the Treasury shall immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reasons for such order or direction." Twenty-five directors were to be chosen, five to be named by the President, and the notes of the bank were made receivable in all payments to the United States. The bank was again given duration for twenty years and no other bank was to be established within this time by Congress outside the District of Columbia. This privilege, as in the case of the first bank, carried with it no restrictions upon the State banks of issue except such as the new bank was expected to exercise by its moral and financial influence towards the restoration of specie payments. A bonus to the government was required of \$500,000 annually for three years after the end of the second year.

The progress of public opinion in favor of the implied powers of the Federal government under the Constitution is indicated by the attitude of Madison and the democratic party towards the incorporation of the second Bank of the United States. Madison as a member of the First Congress had opposed the incorporation of the Bank of the United States upon constitutional grounds, and in 1799 had alluded to it as one of the examples of the usurping tendencies of the Federal government ;¹ but as President in 1814 and 1815

¹ Von Hoist, L. ;